

Research

Poland | Equity Research

Research Department

Dadelo

Buy

Previous: Buy 15 PLN

Strong cadence uphill

Target price: 19 PLN

(from date: 22.05.2023)

Upside: 38%

After the last two years of scaled-up demand in the bicycle industry, the current year is more challenging. Globally, this is confirmed by guidance from Shimano, which expects a ~25% y/y decline in revenue in the bicycle accessory segment this year ([LINK](#)), although still significantly ahead of 2019. At the same time, the current market woes are well reflected in Bike24's KPIs ([LINK](#), [LINK](#)) – weaker merchandise turnover forcing deeper sales support as a consequence of significant GM erosion and increased performance marketing costs. Cost pressures on the payroll and logistics side. The lower range of this year's guidance assumes flat y/y sales and no positive EBITDA. Against this backdrop, our assumptions for DAD look very solid - the company is not slowing down, growing market share, although strategy implementation is currently weighing on lower lines. Relative to our last recommendation, we are raising DAD's earnings growth trajectory (+3 PLN to valuation), and lowering RFR (+1 PLN to valuation). Together, the above changes imply an increase in TP to PLN 19. Thus, we reiterate our Buy investment rating.

Omnichannel will increase market advantage, but will drag on performance in coming years. The opening of the first large-format showroom with a comprehensive offer for cyclists (including bike fitting, professional advice) has put a new quality of service for customers on the map of the capital. The project to build a new sales channel and its development in further major cities in PL will weigh on profitability, especially this year. In the stationary channel, we expect PLN 18m revenue, PLN 2m EBIT loss and additional marketing costs in '23. Nevertheless, DAD will significantly strengthen its market and negotiating position with suppliers, the fruits of which will support its revenue and profitability growth trajectory in the medium term.

Results for 2023. After higher-than-expected Q1 revenues, we maintain that this year's sales growth should reach 45%. At the same time, guidance from the CEO supports our GM assumption (30%), which would be a very good result in the current market environment and a higher share of bikes in the mix, also compared to the competition. In addition, ongoing development projects, the new warehouse space acquired at the beginning of the year, and the opening of a stationary shop, accompanied by additional marketing, will boost SG&A by 0.5pp y/y. As a result, this year's EBIT will be comparable y/y, and we do not expect a return to growth until next year. In addition, we assume further growth in the offering reflected in a more than 20% y/y increase in inventory to ~PLN100m by year-end. FCF will remain negative, but given the relatively long cash conversion cycle and the scale of business growth, free cash generation is coming down.

Supporting mega trends for the cycling industry. We maintain the IPO thesis that the industry will benefit from: (1) the pandemic-enhanced perception of cycling as a health-promoting recreational activity; (2) the growing importance of cycling as an environmentally friendly means of urban transport, supported by infrastructure investment and local government incentives; (3) innovation and premiumisation that raises price points in the market; (4) the growing interest in electric bikes and dedicated components, whose significantly higher prices should support the value of the market, as we are seeing in the WE.

Negative macro scenarios recede, sentiment towards the sector further supported by election promises. Q1 GDP dynamics beat expectations and dismisses completely pessimistic macro scenarios, including the important one for consumption regarding the rise in unemployment. Thus, households should gradually emerge from the most challenging environment in the coming quarters. In addition, in recent days we have seen a clear acceleration of the election campaign. In addition to the announced valorisation of the 500+ programme to PLN 800, which means an additional transfer to households of PLN 24bn per year, the main opposition party has proposed raising the tax-free amount from PLN 30k to PLN 60k. This would mean leaving another tens of billions of PLN in the pockets of taxpayers. Together, these two election proposals alone account for ~4% of private consumption, and the election table is likely to be filled with more promises. This supports consumer sentiment in our view, especially as the trend of a falling share of food in the private consumption structure will return as price growth slows, benefiting other categories of commodity consumption.

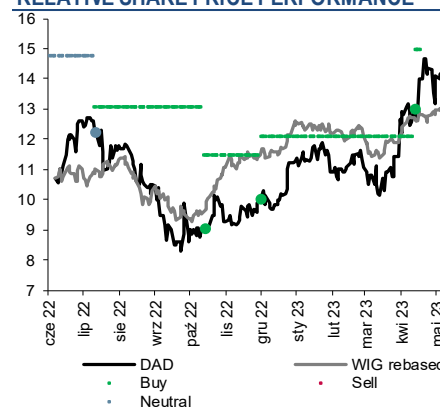
Valuation and recommendation. We base our valuation 100% on the DCF method. Based on a revision of model assumptions, we raise the 12M TP for DAD shares from PLN 15 to PLN 19 and reiterate our BUY investment recommendation.

Key specific risk factors for DAD: (1) lower-than-expected omnichannel sales growth, (2) weaker-than-expected GM (a.o. purchasing policy, fashion trends, competition), (3) higher SG&A ratio (mainly in the area of performance marketing, external logistics service), (4) longer payback period for investments in stationary shops, as part of the implementation of the omnichannel strategy, (5) worse than assumed path for the normalisation of the cash conversion cycle, mainly due to weaker inventory turnover and consequently a higher increase in working capital requirements.

FACT SHEET

Ticker	DAD
Sector	E-commerce
Price (PLN)	13,8
52wk Range (PLN)	8,32 / 18,7
Number of share (m)	11,60
Market Cap (mPLN)	160
Free-float	0,3
Avg Vol 3M (mPLN)	0,0
Price performance	1M 3M 1Y
	8,5% 29,4% 24,8%

RELATIVE SHARE PRICE PERFORMANCE



Recommendation history

Recommendation history	Date	Price
Buy	24.04.2023	15,0
Buy	12.12.2022	12,1
Buy	24.10.2022	11,5
Hold	21.07.2022	13,1
Hold	22.04.2022	14,8
Hold	17.02.2022	17,0

Shareholders

Shareholders	Share %
Oponeo.pl	59,2%
TFI Allianz Polska SA	7,2%
OFE Generali	5,7%
TFI Santander SA	5,4%

Important dates

1Q'23 Report	24.05.2023
2Q'23 Report	17.08.2023
3Q'23 Report	08.11.2023

Analyst

Grzegorz Kujawski

PLN m	2020	2021	2022	2023E	2024E	2025E
Revenue	65	83	117	168	222	291
EBITDA	7	9	7	9	14	18
EBIT	6	7	4	4	8	12
Net profit	5	6	4	3	6	9
EPS (PLN)	0	1	0	0	1	1
P/E (x)	31,4	26,5	40,7	48,2	26,1	16,9
EV/EBITDA (x)	22,3	15,0	22,3	19,1	12,7	9,9
P/BV (x)	9,5	1,5	1,5	1,5	1,4	1,3
DY(%)	0,0%	0,0%	1,1%	0,2%	0,8%	1,5%

Source: company data, Trigon DM

DADELO

Bloomberg ticker

DAD PW

Recommendation

Buy

Target price (PLN)

19

Current Price (PLN)

13,8

Upside

38%

Number of shares (m)

11,6

Market Cap (mPLN)

160

EV (m PLN)

163

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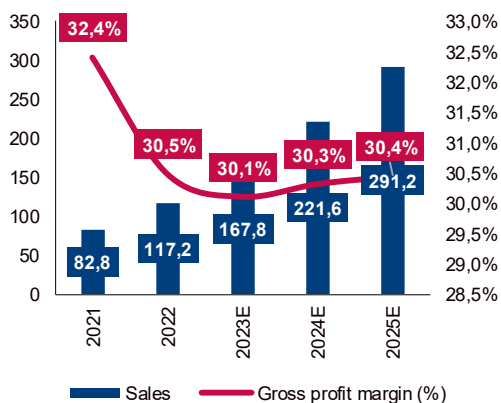
MARKET RATIOS

	2021	2022	2023E	2024E	2025E
P/E (x)	26,5	40,7	48,2	26,1	16,9
P/E adj. (x)	26,5	40,7	48,2	26,1	16,9
P/BV (x)	1,5	1,5	1,5	1,4	1,3
EV/EBITDA (x)	15,0	22,3	19,1	12,7	9,9
EV/EBITDA adj. (x)	15,0	22,3	19,1	12,7	9,9
EV/Sales (x)	1,3	1,1	0,8	0,7	0,5
FCF Yield (%)	-24,0%	-10,5%	-5,9%	-4,5%	0,4%
DY (%)	0,0%	1,1%	0,2%	0,8%	1,5%

RATIOS

	2021	2022	2023E	2024E	2025E
EPS (PLN)	0,5	0,3	0,3	0,5	0,8
EPS adj. (PLN)	0,5	0,3	0,3	0,5	0,8
DPS (PLN)	0,0	0,1	0,0	0,1	0,2
BVPS (PLN)	9,0	9,1	9,3	9,7	10,3
Number of shares (m)	11,54	11,60	11,67	11,67	11,67
Market Cap (mPLN)	160	160	160	160	160
EV (mPLN)	134	153	163	172	174

Sales and gross profit margin



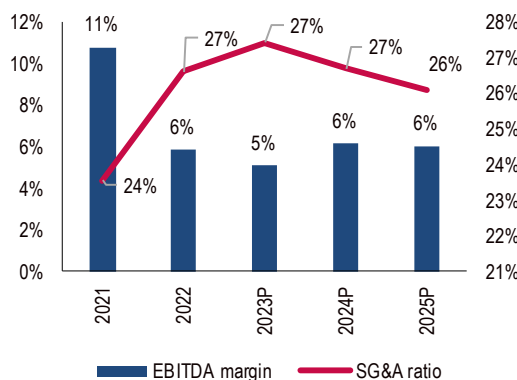
P&L (mPLN)

	2021	2022	2023E	2024E	2025E
Sales	82,8	117,2	167,8	221,6	291,2
COGS	56,0	81,5	117,2	154,4	202,5
Gross profit	26,8	35,7	50,5	67,2	88,7
EBITDA	8,9	6,9	8,5	13,6	17,6
EBITDA adj.	8,9	6,9	8,5	13,6	17,6
D&A	1,8	2,4	4,5	6,1	6,0
EBIT	7,1	4,4	4,1	7,6	11,7
Gross profit	7,5	4,9	4,1	7,6	11,7
Minority interest	0,0	0,0	0,0	0,0	0,0
Net profit	6,0	3,9	3,3	6,1	9,4
Net profit adj.	6,0	3,9	3,3	6,1	9,4

CASH FLOW STATEMENT (mPLN)

	2021	2022	2023E	2024E	2025E
Cash flow from operations	-27,7	-13,3	-3,3	-4,7	3,9
Cash flow from investing	-17,0	-2,8	-6,4	-3,0	-3,3
CAPEX	-4,4	-2,8	-6,4	-3,0	-3,3
Cash flow from financing	72,4	-2,4	10,8	3,7	-2,4
Dividend	0,0	-1,7	-0,4	-1,3	-2,4
FCF	-32,1	-16,1	-9,7	-7,7	0,6
Net cash flow	28	-19	1	-4	-2

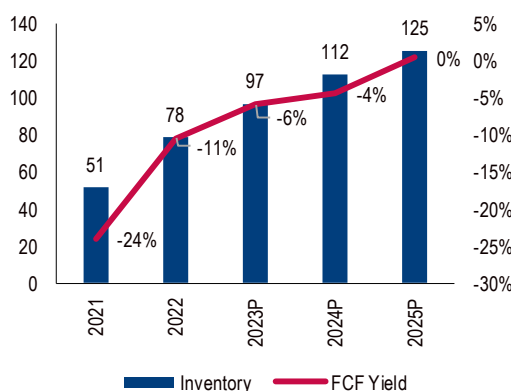
SG&A ratio & EBITDA margin



BALANCE SHEET (mPLN)

	2021	2022	2023E	2024E	2025E
ASSETS	110	120	138	152	163
PPE	6	9	12	10	8
Intangible assets	7	6	5	4	3
Inventory	51	78	97	112	125
Cash and equivalents	29	10	11	7	6
EQUITY AND LIABILITIES	110	120	138	152	163
Equity	104	106	109	114	121
Minority shareholders capital	0	0	0	0	0
Interest-bearing liabilities	3	4	15	20	20
Net debt	-26	-7	4	13	14
Net working capital	64	84	95	112	123

Inventory & FCF Yield



OPERATING INDICATORS

	2021	2022	2023E	2024E	2025E
Sales growth (%)	28%	42%	43%	32%	31%
EPS adj. growth (%)	-	-35%	-16%	85%	54%
Gross profit margin (%)	32,4%	30,5%	30,1%	30,3%	30,4%
EBITDA adj. margin (%)	10,8%	5,9%	5,1%	6,1%	6,0%
Operating profit margin (%)	8,6%	3,8%	2,4%	3,4%	4,0%
Net profit adj. margin (%)	7,3%	3,3%	2,0%	2,8%	3,2%
ROE (%)	5,8%	3,7%	3,0%	5,4%	7,8%
ROA (%)	5,5%	3,3%	2,4%	4,0%	5,8%
CAPEX/Sales (%)	5,3%	2,4%	3,8%	1,4%	1,1%
CAPEX/D&A (x)	2,4	1,2	1,4	0,5	0,6
Net debt/Equity	-0,3	-0,1	0,0	0,1	0,1
Net debt/EBITDA (x)	-2,9	-0,9	0,4	0,9	0,8
Cash conversion cycle (days)	386	354	281	250	209
Inventory turnover (days)	335	351	301	266	226
Receivables turnover (days)	70	46	30	32	29
Liabilities turnover (days)	20	44	50	48	46

Source: company data, Trigon DM, *SimilarWeb, **OC&C

Valuation

DCF

Main assumptions of the forecasts:

- (1) RFR 6,0%, RP 7,5%, unlevered beta coefficient 1,0x;
- (2) Terminal growth rate FCF 3%;
- (3) Effective tax rate 19%;

ND (mln PLN)	2022
Interest-bearing liabilities	4
Leasing MSSF 16	0
Reverse factoring	0
Cash	10
Net debt	-7

DCF (mln PLN)	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	>2032E
EBIT	4	8	12	17	24	32	41	49	54	58	
Tax rate	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%	
NOPLAT	3	6	9	13	19	26	33	40	44	47	
D&A	4	6	6	5	5	5	5	5	5	4	
CAPEX	-6	-3	-3	-4	-4	-8	-4	-4	-4	-4	
Change in NWC	-11	-17	-11	-16	-17	-18	-15	-13	-8	-5	
FCF	-10	-8	1	-1	4	5	18	27	36	42	44
Risk-free rate	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	4,5%
Market premium	7,5%	7,5%	7,5%	7,5%	7,5%	7,5%	7,5%	7,5%	7,5%	7,5%	7,5%
Releveraged Beta	1,0	1,0	1,0	1,0	1,0	1,0	1,0	1,0	1,0	1,0	1,0
Cost of equity (CAPM)	13,3%	13,5%	13,6%	13,6%	13,7%	13,7%	13,7%	13,6%	13,4%	13,2%	11,7%
Cost of debt after tax	6,5%	6,5%	6,5%	6,5%	6,5%	6,5%	6,5%	6,5%	6,5%	6,5%	4,9%
Debt (Debt/Equity)	1%	5%	6%	6%	8%	8%	8%	6%	3%	0%	0%
WACC	13,2%	13,2%	13,2%	13,2%	13,2%	13,2%	13,2%	13,2%	13,2%	13,2%	11,7%
DFCF	-9	-6	0	-1	2	3	8	11	12	13	
Present value FCF 2023-32	33										
FCF growth rate after '32	3,0%										
Terminal value	501										
Discounted TV	152										
EV	185										
Net debt	-7										
Equity value (PLN m)	191										
Shares outstanding* (m)	12										
Value of 1 share 11/04/2023 (PL)	16,6										
Target price 12M (PLN)	19,0										
Upside	38%										

	WACC				
	12,2%	12,7%	13,2%	13,7%	14,2%
2,0%	21,1	19,3	17,8	16,4	15,2
2,5%	21,8	20,0	18,3	16,9	15,6
3,0%	22,7	20,7	19,0	17,4	16,0
3,5%	23,7	21,5	19,6	18,0	16,5
4,0%	24,8	22,5	20,4	18,6	17,1

Source: Trigon DM, *includes full realisation of MP

Comparative valuation

Limitations of the comparative valuation approach. (1) The company with the closest business profile to Dadelo is Bike24. The company has lost more than 80% of its capitalisation since its IPO in 2021. Nothing is left of the €97m raised and the company has additionally pulled €39m of loans in 2022. At the same time giving weak guidance for the year. As a result, investors are taking a cautious approach to the leap in earnings in 2024 reflected in the multiples (4x EBITDA y/y, 2x vs. 2022), especially as it is based on one broker's forecast. As a result, we have expanded the comparison group to include companies that own e-commerce platforms. (2) The company, against such a comparative group, is distinguished by its revenue growth profile. **Nevertheless, the effects of DAD's ongoing growth strategy will weigh on the results of the coming years, so the usefulness of the comparative approach to valuation is very limited. As a result, we base the valuation of Dadelo 100% on an income approach, using the DCF technique.**

Comparative valuation

Comparative valuation	MC (EUR)	P/E			EV/EBITDA			EBITDA margin			CAGR	CAGR
		2023P	2024P	2025P	2023P	2024P	2025P	2023P	2024P	2025P	Revenue	EBITDA
Dadelo SA	35	48,2	26,1	16,9	19,1	12,7	9,9	5,1%	6,1%	6,0%	32%	44%
e-commerce												
Etsy Inc	10 155	21,0	20,9	18,8	15,7	12,7	10,9	27,3%	28,2%	28,7%	11%	14%
Zalando SE	8 173	52,4	31,4	21,2	12,6	9,7	7,8	5,9%	6,8%	7,8%	10%	26%
Wayfair Inc	3 662	-	-	-	128,7	23,1	14,6	0,4%	2,1%	3,0%	8%	191%
About You Holding SE	859	-	-	-	-	35,4	11,8	-1,2%	1,0%	2,7%	12%	-
Boozt AB	704	32,3	24,6	21,0	12,8	10,5	9,1	7,6%	8,0%	8,2%	12%	16%
boohoo Group PLC	627	-	85,9	21,5	9,3	6,8	5,4	3,7%	4,9%	5,6%	8%	33%
ASOS PLC	514	-	17,8	7,9	5,1	3,7	3,0	3,9%	5,3%	6,1%	6%	33%
Answear.com SA	142	24,6	16,1	12,1	12,4	9,7	8,3	5,3%	5,6%	5,5%	21%	24%
Oponeo.pl SA	137	16,6	14,9	10,9	7,2	6,7	5,9	4,5%	4,3%	4,4%	10%	8%
Bike24 Holding AG	123	-	-	17,5	33,8	10,2	4,8	1,6%	4,5%	8,0%	13%	155%
Median		24,6	20,9	18,1	12,6	10,0	8,0	4,2%	5,1%	5,8%	10%	26%
<i>DAD premium/discount</i>		96%	25%	-7%	52%	27%	23%					
Implied value of 1 share (PLN)		7,0	11,0	14,8	8,9	10,6	10,9					
weight of the year		33%	33%	33%	33%	33%	33%					
weight of a coefficient			50%			50%						
Value of 1 share (PLN)		10,5										

Source: Trigon DM, Bloomberg

Income statement (PLN m)

	2020	2021	2022	2023E	2024E	2025E
Revenue	64,5	82,8	117,2	167,8	221,6	291,2
COGS	45,6	56,0	81,5	117,2	154,4	202,5
Gross Profit	18,9	26,8	35,7	50,5	67,2	88,7
SG&A	12,7	19,5	31,2	46,0	59,2	76,0
Marketing expenses	5,29	6,56	14,31	18,08	23,02	28,31
Performance marketing	3,4	3,6	6,2	7,9	10,3	13,2
Other marketing	0,7	0,9	4,9	6,5	8,4	11,1
Marketing costs	1,3	2,0	3,2	3,7	4,3	4,1
Logistics expenses	5,3	9,8	11,5	14,5	19,2	36,8
Shipping&other selling costs	2,7	3,2	5,2	7,2	10,0	12,8
Logistics costs	2,6	6,6	6,3	7,3	9,3	14,6
Sales expenses	10,6	16,3	27,1	38,8	50,3	65,1
Administrative expenses	2,0	3,2	4,0	7,2	8,9	10,9
Sales profit	6,3	7,3	4,6	4,5	8,0	12,7
Result on other operating activities, net	0,0	-0,2	-0,1	-0,4	-0,5	-1,0
EBITDA	7,1	8,9	6,9	8,5	13,6	17,6
EBITDA adj.	7,1	8,9	6,9	8,5	13,6	17,6
D&A	0,8	1,8	2,4	4,5	6,1	6,0
EBIT	6,3	7,1	4,4	4,1	7,6	11,7
Result on financial operations, net	-0,1	0,4	0,4	0,0	0,0	0,0
EBT	6,2	7,5	4,9	4,1	7,6	11,7
Income Tax	1,1	1,5	0,9	0,8	1,4	2,2
Minority Interest	0,0	1,0	2,0	3,0	4,0	5,0
Net profit	5,1	6,0	3,9	3,3	6,1	9,4
Net profit adj.	5,1	6,0	3,9	3,3	6,1	9,4

Gross margin	29,4%	32,4%	30,5%	30,1%	30,3%	30,4%
EBITDA adj. Margin (%)	11,0%	10,8%	5,9%	5,1%	6,1%	6,0%
EBIT margin (%)	9,7%	8,6%	3,8%	2,4%	3,4%	4,0%
Net profit adj. Margin (%)	7,9%	7,3%	3,3%	2,0%	2,8%	3,2%

change in sales y/y	93,3%	28,4%	41,5%	43,1%	32,1%	31,4%
change in gross profit y/y	128,7%	41,7%	33,1%	41,4%	33,0%	31,9%
change in EBITDA adj. y/y	560,6%	25,5%	-23,2%	24,6%	59,2%	29,4%
change in EBIT y/y	+	14,0%	-37,9%	-7,9%	84,9%	54,4%
change in net profit adj. y/y	+	18,6%	-35,0%	-15,5%	84,9%	54,4%

	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23E
Revenue	17,1	19,4	41,5	34,1	22,3	28,3
COGS	12,2	13,6	28,8	23,8	15,2	19,8
Gross Profit	4,9	5,8	12,6	10,3	7,1	8,5
Sales expenses	3,6	4,9	9,2	7,3	5,8	6,8
Administrative expenses	1,1	0,8	1,0	1,0	1,3	1,2
Sales profit	0,1	0,0	2,5	2,0	0,0	0,4
Result on other operating activities, net	0,4	0,0	-0,1	0,0	-0,1	-0,1
EBITDA	1,1	0,6	3,0	2,7	0,6	1,4
EBITDA adj.	1,1	0,6	3,0	2,7	0,6	1,4
D&A	0,6	0,6	0,6	0,6	0,7	1,1
EBIT	0,5	0,0	2,4	2,1	-0,1	0,3
Result on financial operations, net	-0,2	0,1	0,0	0,2	0,1	0,0
EBT	0,3	0,1	2,5	2,2	0,0	0,3
Income Tax	0,0	0,1	0,4	0,5	0,0	0,1
Minority Interest	7,0	8,0	9,0	10,0	11,0	12,0
Net profit	0,3	0,1	2,0	1,8	0,0	0,3
Net profit adj.	0,3	0,1	2,0	1,8	0,0	0,3

Gross margin	28,4%	29,8%	30,5%	30,1%	31,7%	30,0%
EBITDA adj. Margin (%)	6,4%	3,0%	7,3%	7,8%	2,6%	5,1%
EBIT margin (%)	2,8%	-	5,9%	6,1%	-	1,1%
Net profit adj. Margin (%)	1,6%	0,4%	4,9%	5,2%	0,1%	0,9%

change in sales y/y	93,8%	13,6%	113,7%	-17,8%	-34,6%	27,1%
change in gross profit y/y	138,8%	19,1%	118,5%	-18,8%	-31,2%	20,2%
change in EBITDA adj. y/y	-	-	-	-12,2%	-77,8%	143,9%
change in EBIT y/y	-	-	-	-15,7%	-103,3%	-574,8%
change in net profit adj. y/y	-	-	-	-12,8%	-98,5%	868,5%

Source: company data, Trigon DM

Balance sheet (PLN m)

	2020	2021	2022	2023E	2024E	2025E
Fixed assets	5,2	13,7	15,9	17,8	14,7	12,1
Tangible assets	1,6	6,2	9,0	12,3	10,2	8,2
Intangible assets	3,5	7,2	6,4	5,1	4,1	3,5
Long-term receivables	0,0	0,0	0,0	0,0	0,0	0,0
Other	0,1	0,2	0,4	0,4	0,4	0,4
Current assets	20,1	96,3	103,8	119,8	136,9	151,2
Inventory	17,8	51,4	78,5	96,5	112,3	125,1
Trade receivables	0,7	16,0	14,9	11,7	17,1	20,4
Other	0,4	0,0	0,2	0,2	0,2	0,2
Cash	1,2	28,9	10,3	11,5	7,4	5,6
Assets	25,3	110,0	119,7	137,6	151,7	163,3
Equity	16,8	103,7	106,0	108,9	113,7	120,7
Share Capital	1,4	2,3	2,3	2,3	2,3	2,3
Other	10,9	92,7	97,0	103,2	105,2	108,9
Retained earnings	4,6	8,8	6,7	3,3	6,1	9,4
Minority Capital	0,0	0,0	0,0	0,0	0,0	0,0
Long-term liabilities	0,3	2,4	2,7	3,8	6,0	6,0
Long-term interest-bearing liabilities	0,0	2,2	2,7	3,8	6,0	6,0
Other	0,1	0,2	0,0	0,0	0,0	0,0
Short-term liabilities	8,2	3,8	11,0	25,0	32,0	36,7
Short-term interest-bearing liabilities	0,0	0,7	1,1	11,3	14,0	14,0
Trade payables	8,1	3,0	9,8	13,6	17,9	22,5
Other	0,1	0,1	0,2	0,2	0,2	0,2
Liabilities	25,3	110,0	119,7	137,6	151,7	163,3
NWC	10	64	84	95	112	123
Net debt	-1	-26	-7	4	13	14
Net debt adj.	-1	-26	-7	4	13	14
ND/EBITDA adj. (x)	-0,2	-2,9	-0,9	0,4	0,9	0,8
ND/E (x)	-0,1	-0,3	-0,1	0,0	0,1	0,1
ROE (%)	30%	6%	4%	3%	5%	8%
ROA (%)	20%	5%	3%	2%	4%	6%
Cash conversion cycle	82	386	354	281	250	209
Inventory turnover	143	335	351	301	266	226
Receivables turnover	4	70	46	30	32	29
Payables turnover	65	20	44	50	48	46

Cash flows (PLN m)

	2020	2021	2022	2023E	2024E	2025E
CFO	-1,8	-27,7	-13,3	-3,3	-4,7	3,9
Net profit	4,6	5,9	3,7	3,3	6,1	9,4
D&A	0,8	1,8	2,4	4,5	6,1	6,0
Change in working capital	-7,0	-35,7	-19,6	-11,0	-16,9	-11,5
Inventory	-6,6	-35,7	-27,0	-18,1	-15,8	-12,8
Receivables	-0,1	-0,2	0,9	3,2	-5,4	-3,3
Payables	-0,3	0,3	6,4	3,8	4,3	4,6
Other	-0,2	0,2	0,2	0,0	0,0	0,0
CFI	-1,0	-17,0	-2,8	-6,4	-3,0	-3,3
CAPEX	-1,1	-4,4	-2,8	-6,4	-3,0	-3,3
Other	0,0	-12,6	0,0	0,0	0,0	0,0
CFF	4,0	72,4	-2,4	10,8	3,7	-2,4
Interest-bearing liabilities change	4,0	-5,0	0,0	11,2	5,0	0,0
Stock issuance	0,0	78,8	0,0	0,0	0,0	0,0
Dividend	0,0	0,0	-1,7	-0,4	-1,3	-2,4
Other	0,0	-1,4	-0,7	0,0	0,0	0,0
Net cash flow	1,1	27,7	-18,6	1,1	-4,1	-1,8
Opening balance	0,1	1,2	28,9	10,3	11,5	7,4
Closing balance	1,2	28,9	10,3	11,5	7,4	5,6

Source: company data, Trigon DM

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**NAGRÓDY
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2022



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Definitions

capitalisation – market price multiplied by the number of a company's shares

free float (%) – a percentage of a company's shares held by shareholders with less than 5% shareholding reduced by treasury shares held by the company

min/max 52 wks – minimum/maximum share price within the last 52 weeks

average turnover – average volume of share trading within the last month

EBIT – operating profit

EBITDA – operating profit increased by depreciation and amortisation

adjusted profit – net profit adjusted for one-off items

CF – cash flow

capex – sum of investment expenditures on fixed assets

OCF – cash generated through the operational activities of the company

FCF – cash generated by the company after taking into account outflows to support operations and retained capital

ROA – rate of return on assets

ROE – rate of return on equity

NWC – net working capital

Cash conversion cycle – period from the moment of expenditure of cash for the purchase of production factors until the moment of receipt of cash revenues from the sale of manufactured goods or services.

Gross profit margin – a ratio of gross profit to net revenue

EBITDA margin – a ratio of sum of operating profit and depreciation/amortisation to net revenue

EBIT margin – a ratio of operating profit to net revenue

net margin – a ratio of net profit to net revenue

EPS – earnings per share

DPS – dividends per share

P/E – a ratio of market price to earnings per share

P/BV – a ratio of market price to book value per share

EV/EBITDA – a company's EV to EBITDA ratio

EV – sum of a company's current capitalisation and net debt

DY – dividend yield, dividend paid to share price ratio

RFR - risk-free rate

WACC - weighted average cost of capital

ISSUER – Dadelo S.A.

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BUY – we expect that the rate of return on an investment will be at least 10%

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Recommendation prepared by: Grzegorz Kujawski

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